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Supreme Court, U.S.

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IN THE
Supreme Court of the United States

OCTOBER TERM, 1991

TWO PESOS, INC.,

Petitioner,

—v.—

TACO CABANA INTERNATIONAL, INC.,
and TACO CABANA, INC.,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES
COURT OF APPEALS FOR THE FIFTH CIRCUIT

**BRIEF OF AMICUS CURIAE
THE UNITED STATES TRADEMARK ASSOCIATION
IN SUPPORT OF RESPONDENTS**

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INTRODUCTION

Having obtained written consent of the parties pursuant to Rule 37.3 of the Rules of this Court,¹ The United States Trademark Association ("USTA") submits this brief as amicus curiae. USTA believes the holding by the Court of Appeals for the Fifth Circuit—that inherently distinctive trade dress may be protected without proof of secondary meaning—is a correct statement of the law and, to that

¹ The consents are filed with the Clerk contemporaneously with this brief.

extent only, supports respondents' position on the question for which certiorari was granted.

Based on the Circuit Court's factual recitation of the elements of trade dress it deemed protectable, however, it appears that at least certain elements of Taco Cabana's restaurant decor may have communicated the message that Taco Cabana featured Mexican cuisine. This raises a question as to whether Taco Cabana's trade dress was inherently distinctive. USTA is not familiar with the details of Taco Cabana's "Mexican" decor apart from the Fifth Circuit's general description, or with the specific facts on which the jury relied. It therefore does not take a position as to whether the Fifth Circuit's decision should be affirmed.

Instead, USTA's purpose in filing this amicus brief is to ensure that the apparent tension between the potentially descriptive nature of Taco Cabana's Mexican motif, the jury finding that it lacked secondary meaning, and the actual holding below, do not obscure or undercut the Fifth Circuit's correct statement that the owner of an inherently distinctive trade dress need not be required to prove secondary meaning.

STATEMENT OF INTEREST OF THE AMICUS CURIAE

USTA is a not-for-profit corporation whose more than 2,400 members have a special interest in trademarks. They include trademark owners, law firms, advertising agencies, package design firms and professional associations from the United States and 90 countries. All share the goal of emphasizing the importance of trademarks, trademark protection and promoting an understanding of the essential role trademarks play in fostering effective commerce, communication, and fair competition.

USTA was founded in 1878, in part to encourage the enactment of federal trademark legislation after this country's first trademark act was declared unconstitutional. Since that time, USTA has been instrumental in making recommendations and providing assistance to legislators in connection with each subsequent trademark act, or amendment thereof,

including the Trademark Law Revision Act of 1988 ("TLRA"). See 134 Cong. Rec. S16974 (daily ed. Oct. 20, 1988) (statement of Sen. DeConcini). One significant revision included in the TLRA was the amendment of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). The purpose of the amendment was to acknowledge the evolution of Section 43(a) since 1946 "into a Federal law of unfair competition," 135 Cong. Rec. H10422 (daily ed. Oct. 19, 1989) (statement of Rep. Moorhead), protecting, *inter alia*, unregistered trademarks and trade dress. See S. Rep. No. 515, 100th Cong., 2d Sess. 40 (1988). In addition, the Lanham Act was amended to adopt the view expressed by a majority of federal courts that all of the remedies available for infringement of registered marks also are available for infringement of unregistered marks. TLRA, Pub. L. No. 100-667, §§ 127-30, 102 Stat. 3935, 3943-45 (1988); 133 Cong. Rec. S16547 (daily ed. Nov. 19, 1987) (statement of Sen. DeConcini).

The membership of USTA represents a very significant and important segment of the United States business community, and USTA has substantial expertise in trademark law. It has selectively participated as an amicus curiae in cases involving vital trademark issues.² USTA members frequently are plaintiffs and defendants in federal and state court trademark litigation, and therefore are interested in the development of clear and consistent principles of trademark and unfair competition law.

USTA has a particular interest in this case for three reasons. First, it is concerned that Section 43(a) of the Lanham

² USTA has filed briefs in *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988); *Ralston Purina Co. v. On-Cor Frozen Foods, Inc.*, 746 F.2d 801 (Fed. Cir. 1984); *Anti-Monopoly, Inc. v. General Mills Fun Group, Inc.*, 684 F.2d 1316 (9th Cir. 1982), *cert. denied*, 459 U.S. 1227 (1983); *In re Borden, Inc.*, 92 F.T.C. 669 (1978), *aff'd*, *Borden, Inc. v. Fed. Trade Comm'n*, 674 F.2d 498 (6th Cir. 1982), *vacated and remanded*, 461 U.S. 940 (1983); *Redd v. Shell Oil Co.*, 524 F.2d 1054 (10th Cir. 1975), *cert. denied*, 425 U.S. 912 (1976); *Andrew J. McPartland, Inc. v. Montgomery Ward & Co.*, 164 F.2d 603 (C.C.P.A. 1947), *cert. denied*, 333 U.S. 875 (1948); *Century 21 Real Estate Corp. v. Nevada Real Estate Advisory Comm'n*, 448 F. Supp. 1237 (D. Nev. 1978), *aff'd*, 440 U.S. 941 (1979).

Act, as recently amended by the TLRA, continue to be applied in a manner consistent with traditional principles of trademark law. This provision is the means by which the vast majority of trade dress disputes are litigated in the federal courts, and its uniform development and evolution was one of the goals of enacting the TLRA.

Second, there is a split between the approach used by the Court of Appeals for the Second Circuit and other Circuit Courts on the protectability of inherently distinctive trade dress. The approach in the Second Circuit appears to require, even for trade dress that is inherently distinctive and indicative of the source of goods or services, additional proof of secondary meaning. As explained below, such a requirement is superfluous. Now, this Court can resolve the conflict between the Circuits on this issue.

Third, the question for which certiorari was granted provides the Court with an opportunity to clarify the principles that underlie both the protection to be afforded companies for the substantial investments often made in their trade dress, including trade dress which is inherently distinctive, and the rights of competitors to enter a market by adopting for their own use popular elements in the public domain.

SUMMARY OF THE ARGUMENT

Trade dress, as is the case with any word, symbol or other designation, is eligible for protection if it distinguishes goods or services of one competitor from those offered by others. The appropriate inquiry in every instance is whether the trade dress communicates an identifying and distinguishing message that enables purchasers to associate the goods or services at issue with a particular source. If the answer to that inquiry is "yes," the trade dress is protectable. Although more cases have addressed the concept of distinctiveness in the context of trademarks than trade dress, the basic principle—that there is a spectrum of distinctiveness which carries with it varying degrees of protection—applies clearly in both instances.

At one end of the spectrum are words and symbols that are generic, in the sense that there is no alternative way to produce and sell competitive goods and services without using exactly the same word or symbol that the initial user has tried to appropriate for itself. If such exclusive appropriation renders others unable to communicate or compete, no trademark protection is available.

In the middle are trademarks and trade dress that are descriptive because they carry, at the time of adoption and use, a primary meaning that will be understood in its ordinary lexicographic sense to communicate something about the nature of the goods or services. Such trademarks and trade dress function as indications of source only after they acquire a distinctive, secondary meaning identifying their source. Prior to the acquisition of secondary meaning, they are not entitled to protection because they serve no trademark function.

At the other end of the spectrum are trademarks and trade dress deemed "inherently distinctive" because their source-identifying function is readily apparent from the outset. As a result, they are entitled to protection upon adoption. When dealing with such trademarks or trade dress, it is superfluous to require proof that these symbols have acquired a "secondary meaning," because their primary meaning is to communicate a source-identifying message. The Court of Appeals for the Fifth Circuit therefore correctly stated, as a general proposition, that inherently distinctive trade dress can be protected without requiring proof of secondary meaning.

It appears from the decision below, however, that the jury may have characterized Taco Cabana's Mexican restaurant decor as inherently distinctive without considering all of the factors relevant to that decision. It is not enough simply to conclude, as the Circuit Court put it, that trade dress is protectable if "alternative combinations" of the functional design elements comprising the trade dress could have been used "to compete effectively." 932 F.2d at 1119. To the contrary, prior decisions, as set forth in the Restatement (Third) of Unfair Competition (Tent. Draft No. 2, 1990) (approved

by Membership of the American Law Institute, May 1990) (the "Restatement"), make clear that questions as to (a) whether Taco Cabana's designs were truly unique or unusual, (b) whether they were a mere refinement of other commonly-adopted and well-known styles or (c) whether they created a commercial impression apart from a description of the cuisine, also needed to be assessed.

USTA has not had access to the record, and is unable to form a view on how those questions properly are answered in this case. It files this brief to emphasize the policies and principles that underlie these inquiries, because of their importance both to the ability of sellers to communicate accurate and useful information to consumers and to the ability of competitors to have access to product features and other indicia necessary for effective competition.

ARGUMENT

I. Trademarks And Trade Dress Perform Identical Competitive Functions.

Trademarks and trade dress both may serve as identifying "symbols," the "commercial magnetism" of which may be entitled to protection. *Mishawaka Rubber & Woolen Mfg. Co. v. S.S. Kresge Co.*, 316 U.S. 203, 205 (1942). Trademarks and trade dress

are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. [They] encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect [such symbols], therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not.

S. Rep. No. 1333, 79th Cong., 2d Sess. (1946), reprinted in 1946 U.S.C.C.A.N. 1274, 1275 (discussing the competitive

rationale for trademarks in connection with enactment of Lanham Act).

When such identifying symbols are registered under the Lanham Act, the provisions of 15 U.S.C. §§ 1114-15 govern infringement actions. See *Thompson Medical Co. v. Pfizer Inc.*, 753 F.2d 208, 212 n.5 (2d Cir. 1985). When unregistered symbols are at issue, the principles of unfair competition that have evolved under Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), govern. *Id.* at 212. In either case, the circumstances under which the owner of a trademark or trade dress may prevent "poach[ing]" on its claimed "symbol," *Mishawaka Rubber*, 316 U.S. at 205, are the same. It is helpful, therefore, to examine well-settled principles with respect to trademark protection. See generally *Blau Plumbing, Inc. v. S.O.S. Fix-It, Inc.*, 781 F.2d 604, 608 (7th Cir. 1986) (trade dress cases and trademark cases to be analyzed consistently because, *inter alia*, there is "no substantive legal difference between these terms").

II. The Scope Of Trademark Protection Is Limited By The Right Of Other Competitors To Communicate Accurate Information About Their Own Goods Or Services.

Efficient and fair competition requires accurate communication (and the avoidance of *miscommunication*). Words and symbols used to communicate information with respect to products fall broadly into five categories: (i) generic; (ii) descriptive; (iii) suggestive; (iv) arbitrary; and (v) fanciful. See *Abercrombie & Fitch Co. v. Hunting World, Inc.*, 537 F.2d 4, 9 (2d Cir. 1976). The distinctions between the latter three categories are not at issue in this case. Because trademarks and trade dress which fall into these three categories are all deemed inherently distinctive, they are treated as one in this brief. See generally Jerome Gilson, *Trademark Protection and Practice* § 2.01 at 2-13 (1991); J. Thomas McCarthy, *Trademarks and Unfair Competition* § 11:2 at 435 (2d ed. 1984).

A. There Is No Protection For Words That Are Generic.

Words with a primarily generic meaning cannot be monopolized by one competitor because they are essential to effective communication by others. *See Bayer Co. v. United Drug Co.*, 272 F. 505, 514 (S.D.N.Y. 1921) (a plaintiff cannot "deprive the defendant, and the trade in general, of the right to dispose of [a product] by the only description which will be understood"). *See also Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. 111, 119 (1938). Because generic terms delineate a category of goods, they do not serve to differentiate and identify the particular goods of one producer; they do not communicate any message as to source. *See Bayer*, 272 F. at 513 ("when . . . a mark does not give even an intimation of the owner, there is no room at all for any protection"). *See also Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 194 (1985). In short, generic marks simply do not, and never can, perform trademark functions.

B. There May Be Protection For Words That Are Descriptive.

Similarly, words that primarily describe something about goods or services do not differentiate between the sources of those goods and services. Accordingly, when such words are used in their descriptive sense, they cannot be appropriated by a single competitor. To hold otherwise would impede communication needlessly. *See Estate of P.D. Beckwith, Inc. v. Comm'r of Patents*, 252 U.S. 538, 543-44 (1920); 15 U.S.C. § 1115(b)(4) (recognizing as defense to claim of infringement the use "of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services" of a party).

If, however, a descriptive term has acquired a *second* meaning, identifying a single source (*i.e.*, if it has acquired distinctiveness), the use of that term in this distinctive, trademark sense by a competitor may cause confusion in the marketplace. *See Coca Cola Co. v. Koke Co. of America*, 254 U.S. 143, 146 (1920); 15 U.S.C. § 1052 (permitting federal trademark registration of "merely descriptive" terms which

have acquired secondary meaning). To permit such *miscommunication* would allow a competitor to "poach" on the "commercial magnetism" of another.

C. There Is Protection For Words That Are Suggestive, Arbitrary Or Fanciful Because They Are Inherently Distinctive.

A different level of protection is accorded for words that are primarily suggestive, arbitrary or fanciful. From the moment of first use, such symbols *can* be protected because they are *not* necessary for others to communicate in the marketplace. Others freely may rely upon generic and descriptive terms in order to provide useful information to purchasers. They are also free to adopt their own unique and inherently distinctive symbols: the number of suggestive, arbitrary and fanciful terms is limited only by human imagination. *See Stork Restaurant v. Sahati*, 166 F.2d 348, 361 (9th Cir. 1948).

This greater level of protection for distinctive symbols is consistent with one of the principal rationales for trademark protection: "to reduce the cost of information to consumers by making it easy for them to identify the products or producers with which they have had either good experiences, so that they want to keep buying the product . . . , or bad experiences, so that they want to avoid the product or the producer in the future." *W.T. Rogers Co., Inc. v. Keene*, 778 F.2d 334, 338 (7th Cir. 1985).³ Allowing someone else in the market place to use the same, or similar, inherently distinctive terms as have been previously adopted would not only increase the likelihood of confusion among potential purchasers, it also would discourage businesses from investing in, and bringing to market, a variety of goods and ser-

³ "By identifying the source of the goods, [trademarks] convey valuable information to consumers at lower costs. Easily identified trademarks reduce the costs consumers incur in searching for what they desire, and the lower the costs of search the more competitive the market." *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423, 1429-30 (7th Cir. 1985), *cert. denied*, 475 U.S. 1147 (1986).

vices about which they might not effectively be able to communicate.

III. When Trade Dress Performs The Same Identifying Function As A Trademark, It Is Entitled To Protection Under The Same Principles.

Trade dress is the term used to describe the general appearance of goods or services offered for sale in the marketplace. Restatement § 16 cmt. a. It is well-established that the physical appearance, or manner in which goods or services are presented, may serve as designations that identify source. In those cases, trade dress performs a trademark function. Although trade dress traditionally has referred to product packaging, it also describes a variety of architectural features such as unique building designs, store fronts and restaurant decors. See Gilson, *supra*, § 7.02(7)(h).

Just as is true of trademarks, trade dress has its own spectrum of distinctiveness. The trade dress categories analogous to those used in trademark cases are described below.

A. There Is No Protection For Trade Dress That Is Functional Or Generic.

Trade dress is functional "if it is essential to the use or purpose of the article [in connection with which it is used] or if it affects the cost or quality of the article." *Inwood Lab., Inc. v. Ives Lab., Inc.*, 456 U.S. 844, 850 n.10 (1982). Such trade dress is equivalent to a generic term and cannot be appropriated by one competitor because it is essential to communication and to competition.⁴ By definition, such trade dress cannot serve to distinguish goods or services as originating from any one source. As Justice Brandeis observed in *Kellogg Co. v. Nat'l Biscuit Co.*, 305 U.S. at 120:

When an article may be manufactured by all, a particular manufacturer can no more assert exclusive rights in a

⁴ Trade dress which performs in this way is sometimes referred to as *de jure* functional. *De jure* functionality "means that the product is in its particular shape because it works better in this shape." *In re R.M. Smith, Inc.*, 734 F.2d 1482 (Fed. Cir. 1984).

form in which the public has become accustomed to see the article and which, in the minds of the public, is primarily associated with the article rather than a particular producer, than it can in the case of a name with similar connections in the public mind.

See also Restatement § 16 cmt. d, illus. 6.

The concept of functionality and genericism was the basis for the Court of Appeals for the Eighth Circuit's decision in *Prufrock Ltd. v. Lasater*, 781 F.2d 129, 134 (8th Cir. 1986), a restaurant trade dress case. The evidence established that the "sole reason" for the use of "various appointments and decor items" was to enhance a "down home country look." As the Eighth Circuit held:

The consumer demand for the concept of "down home country cooking" includes the demand for the trade dress that creates the concept. Dixie Management and others would be severely handicapped in their ability to compete with Prufrock in the field of country cooking if they were prohibited from using any or all of Prufrock's trade dress.

* * *

If a trade dress that creates a chosen theme or concept could be protected, then others who wished to use the same concept would be severely limited in their ability to do so.

Id.

B. There May Be Protection For Trade Dress That Is Descriptive.

Trade dress also may be descriptive. For example, although not essential to competition in the sense that there is "need to copy" it in order to "compete effectively," *In re R.M. Smith, Inc.*, 734 F.2d 1482, 1484 (Fed. Cir. 1984) (citing *In re Morton-Norwich Prods., Inc.*, 671 F.2d 1332, 1339 (C.C.P.A. 1982)), trade dress may communicate information about a product by enhancing, incorporating or reinforcing product attributes. If it does so, it is equivalent to a descrip-

tive term, and cannot be protected without a showing of secondary meaning. When, however, a trade dress combination, including elements that have a commonly understood function or descriptive connotation, has acquired secondary meaning, it can serve as an indication of source. Protection against competitive use is required if marketplace confusion is to be avoided. See *Truck Equip. Serv. Co. v. Fruehauf Corp.*, 536 F.2d 1210, 1218 (8th Cir.), cert. denied, 429 U.S. 861 (1976).

For example, imagine that a manufacturer of reconstituted lemon juice is the first to package its product in a yellow, lemon-shaped container. That container clearly describes something (nearly everything) about the nature of the product. If, however, after extensive advertising and promotion, purchasers become conditioned to associate that container, not with its sour contents, but with that particular producer of lemon juice, the manufacturer would be permitted to exclude others from adopting similar containers. See *Sicilia Di R. Biebow & Co. v. Cox*, 732 F.2d 417, 426 (5th Cir. 1984).

In *Fuddruckers, Inc. v. Doc's B.R. Others, Inc.*, 826 F.2d 837 (9th Cir. 1987), the plaintiff sought to protect an overall impression for a restaurant created, *inter alia*, by "such items as directors chairs, white tile, and an open bakery." 826 F.2d at 842 n.7. As noted in another Fuddruckers decision, *Fred-die Fuddruckers, Inc. v. Ridgeline, Inc.*, 589 F. Supp. 72, 75 (N.D. Tex. 1984), *aff'd*, 783 F.2d 1062 (5th Cir. 1986), "the use of white tiles [and] open food preparation areas . . . is to produce an ambience of freshness and unadulteratedness and to permit customers to see the quality of the ingredients used in the food served." In this way, the design performed a descriptive, communicative function, and was not "arbitrary or uncommon" so as to qualify for protection as "inherently distinctive." 826 F.2d at 844.

The Court of Appeals for the Ninth Circuit recognized, therefore, that Fuddruckers' trade dress could be protected only after a demonstration of secondary meaning, *i.e.*, that the trade dress had acquired distinctiveness. Only after such a

showing would plaintiff be entitled to "prevent competition from using the items in a way that, viewed as a whole, [was] likely to confuse consumers." 826 F.2d at 842 n.7.

C. There Is Protection For Trade Dress That Is Suggestive, Arbitrary Or Fanciful Because It Is Inherently Distinctive.

Trade dress which is "inherently distinctive" (*i.e.*, which is suggestive, arbitrary or fanciful) instantly may be appropriated by a single competitor, without more, because it is inherently capable of distinguishing goods and it is not necessary for competition or communication.⁵ The diversity of suggestive and arbitrary trade dress, again, is limited only by human imagination, and permitting its use by competitors would increase the likelihood of confusion. See *Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 703 (5th Cir. 1981), cert. denied, 457 U.S. 1126 (1982).

Trade dress which, *ab initio*, is capable of distinguishing source (*e.g.*, the golden arches of McDonald's) does not hinder competitors in selling their own goods. Such trade dress is properly treated as inherently distinctive. See *White Tower Sys., Inc. v. White Castle Sys. of Eating Houses Corp.*, 90 F.2d 67 (6th Cir.), cert. denied, 302 U.S. 720 (1937); *Fotomat Corp. v. Cochran*, 437 F. Supp. 1231, 1235 (D. Kan. 1977). Indeed, with respect to a chain of restaurants, a visibly unique and consistently presented trade dress might operate even more efficiently than a word mark in identifying and distinguishing one source of food services from another, and in reducing consumer search costs.

⁵ The protectability of inherently distinctive trade dress, without more, is not impaired because it is incorporated in a utilitarian object, *e.g.*, the protectability of a uniquely designed bottle is not impaired because the bottle is *de facto* functional in the sense of holding liquid. See *Ex parte Haig & Haig Ltd.*, 118 U.S.P.Q. (BNA) 229 (Comm'r Patents 1958).

IV. The Differences Between The Scope Of Protection For Inherently Distinctive Trade Dress And Generic Or Descriptive Trade Dress Reflect The Same Important Policies Underlying Trademark Protection.

Just as is the case with trademarks, the freedom to imitate pre-existing trade dress is limited only when the copying is likely to cause confusion among prospective purchasers as to the source of the goods or services at issue. Restatement § 16 cmt. b. The Restatement and the case law expressly recognize that the general rules applicable to trademarks apply with equal force to trade dress. For example:

Rigorous application of the requirements of distinctiveness and nonfunctionality is essential in order to avoid undermining the carefully circumscribed statutory regimes . . . [of] federal patent and copyright law. . . . If the trade dress is descriptive, or inconspicuous, or not sufficiently different from that used by others to justify a conclusion of inherent distinctiveness, trademark rights depend upon proof of distinctiveness through evidence of secondary meaning.

Restatement § 16 cmt. b.

As is true of trademarks, the line between trade dress that is descriptive and trade dress that is suggestive or arbitrary (and therefore inherently distinctive) is not always bright. See, e.g., *HQ Network Sys. v. Executive Headquarters*, 755 F. Supp. 1110, 1119-23 (D. Mass. 1991). As noted in *AmBrit, Inc. v. Kraft, Inc.*, 812 F.2d 1531, 1537 (11th Cir. 1986), *cert. denied*, 481 U.S. 1041 (1987), "[o]nce conceived as distinct categories, these rubrics are now commonly viewed as 'central tones in a spectrum.' "

The Restatement counsels that the descriptive/suggestive line often turns on "the degree of imagination required to extract from the designation information concerning the nature, qualities, or other characteristics of the product or business." Restatement § 14 cmt. b. As Judge Weinfeld explained in an often-cited opinion:

A term is suggestive if it requires imagination, thought and perception to reach a conclusion as to the nature of goods. A term is descriptive if it forthwith conveys an immediate idea of the ingredients, qualities or characteristics of the goods.

Stix Products, Inc. v. United Merchants & Mfrs., Inc., 295 F. Supp. 479, 488 (S.D.N.Y. 1968).

The following standard, adopted by many courts, highlights relevant factors necessary to draw the distinction between descriptive and suggestive trade dress: "whether [a claimed trade dress is] a 'common' basic shape or design, whether it [is] unique or unusual in a particular field [or] whether it [is] a mere refinement of a commonly-adopted and well-known form of ornamentation for a particular class of goods." *Seabrook Foods, Inc. v. Bar-Well Foods Ltd.*, 568 F.2d 1342, 1344 (C.C.P.A. 1977). See also *Brooks Shoe Mfg. Co. v. Suave Shoe Corp.*, 716 F.2d 854, 857-58 (11th Cir. 1983).⁶

The policy that underlies the concern about properly drawing the descriptive/suggestive distinction is succinctly explained in the Restatement as follows:

A designation consisting of a word whose lexicographic meaning has no apparent application to the particular product or business with which it is used, such as SHELL used on petroleum products, is . . . inherently distinctive. Prospective purchasers are likely to perceive such an "arbitrary" designation as a symbol of identification. There is also no reason to anticipate that restrictions on the use of such arbitrary designations will hinder communication by other competitors.

The likely reaction of prospective purchasers and the potential impact on competitors are less certain when the

⁶ As explained in the Restatement § 13 cmt. b:

If the recognition of trademark rights in a particular designation is likely to diminish the ability of others to communicate information about their own goods or services . . . , or is otherwise likely to undermine a legitimate interest in unrestricted access, the designation ordinarily will not be considered inherently distinctive.

ordinary lexicographic meaning of the designation is relevant to the specific goods, services, or business to which it is applied. If the ordinary meaning of the word only indirectly or tangentially applies to the product or business, consumers remain likely to place primary emphasis on its identifying rather than its lexicographic significance. Restrictions on the use of terms that are only marginally related to the goods, service, or business are also unlikely to interfere with the ability of others to convey information about competing products. Thus, words that are merely suggestive of the nature or characteristics of the product or business are also considered inherently distinctive and eligible for protection without additional proof of distinctiveness.

As the designation becomes more clearly descriptive of the goods, service, or business, however, it is more likely to be perceived in its ordinary lexicographic sense rather than as a symbol of identification. Recognition of trademark rights in such descriptive terms also presents a more serious threat to the legitimate interests of competitors in accurately and prominently describing their own products or business. Thus, if the designation is not merely suggestive but actually describes the nature or characteristics of the product or business, trademark rights depend upon a showing of actual distinctiveness . . .

Restatement § 13 cmt. c. See also Gilson, *supra*, § 2.09 at 2-111 to -112.

A trio of restaurant design cases illustrates the nature of the inquiry to be made when drawing the very important distinction between inherently distinctive and descriptive or generic trade dress. For example, in *T.G.I. Friday's, Inc. v. Int'l Restaurant Group*, 569 F.2d 895, 899 (5th Cir. 1978), the Court denied relief, *inter alia*, because plaintiff's "'turn of the century' theme was not exclusive . . . and in fact is used in hundreds of different restaurants throughout the United States." Not being unusual, the decor was not protectable.

In *Warehouse Restaurant v. Custom House Restaurant*, 217 U.S.P.Q. (BNA) 411, 419 (N.D. Cal. 1982), the Court rejected claims as to decorative items "presently used in other restaurants of the general Polynesian theme." Based on the evidence presented, however, the Court was able to conclude that plaintiff's "dining booths encased in packing crates" were distinctive, and protected those elements of the decor against a confusingly similar imitation.

In *House of Hunan, Inc. v. Hunan at Pavilion*, 227 U.S.P.Q. (BNA) 803, 805-06 (D.D.C. 1985), the Court assessed the protectability of two carved white marble lions flanking the restaurant's entrance. It ruled that "the use of similar symbols by other Chinese restaurants demonstrates that plaintiff's lions are not so fanciful or arbitrary that they deserved legal protection immediately upon their adoption," but concluded that "plaintiff's . . . carefully directed advertising efforts demonstrate a substantial likelihood that plaintiff has endowed its lions with a secondary meaning among the relevant class of consumers."

The foregoing principles and cases make clear that, although certain types of trade dress may be inherently distinctive and protectable without a demonstration of secondary meaning, a careful inquiry along the lines set forth in *Seabrook Foods* is required before reaching that conclusion. See also Restatement § 13 cmt. b. If trade dress is not perceived primarily to connote a particular source, but instead carries a descriptive message, protection is available only if secondary meaning is proven.

Thus, the appropriate inquiry below was whether Taco Cabana's trade dress was so unique and different from other restaurant designs that it could be deemed inherently distinctive. As described in the Fifth Circuit's opinion, however, that trade dress appeared to create a "Mexican" atmosphere, capable of leading consumers, without any exercise of their imagination, to expect Mexican cuisine. At the very least, the Circuit Court opinion creates the apparently incongruous result that trade dress which is inherently *compatible* with a

restaurant theme is nonetheless deemed inherently *distinctive* as to the restaurant itself.

CONCLUSION

Trademark and trade dress cases should be resolved in a manner consistent with the rationale for their protection. In each instance, the touchstone of protection is the communication of a distinguishing, source-identifying message. Words or symbols that do not indicate specific sources of origin, because they are generic, functional or descriptive, are the property of all. On the other hand, words or symbols that either are inherently distinctive or, through the acquisition of a secondary meaning, serve specifically to communicate the source of goods or services, must be protected as identifying the goods or services as emanating from a single source. Therefore, when inherently distinctive symbols are involved, proof of secondary meaning is simply unnecessary.

Respectfully submitted,

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